

MAR 13 2015

SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONSIDER AN
ALTERNATE METHODOLOGY FOR ESTABLISHING THE BASIC
PROSPECTIVE PAYMENT SYSTEM RATES FOR INTERMEDIATE CARE
FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES,
TO REBASE THE RATES AT LEAST EVERY TWO FISCAL YEARS, AND TO
INCREASE BED RESERVATION DAYS TO TWENTY-FOUR DAYS PER
CALENDAR YEAR FOR HOSPITALIZATION AND OTHER ABSENCES OF
RESIDENTS FROM INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS
WITH INTELLECTUAL DISABILITIES.

1 WHEREAS, seventeen intermediate care facilities for
2 individuals with intellectual disabilities operated by private,
3 nonprofit agencies provide a home and needed twenty-four hour
4 care, active treatment, and community living for up to eighty-
5 two individuals and serve as important components of the State's
6 long-term care of individuals with intellectual disabilities;
7 and
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9 WHEREAS, providers of services in intermediate care
10 facilities for individuals with intellectual disabilities are
11 compensated by per diem payments under the Medicaid long-term
12 care prospective payment system, as provided in chapter
13 17-1739.2, Hawaii Administrative Rules; and
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15 WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,
16 provides for the Department of Human Services to establish a per
17 diem basic prospective payment system (PPS) rate based on actual
18 cost reports submitted by providers for a prior designated
19 fiscal year; and
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21 WHEREAS, the Department of Human Services has made it a
22 practice in recent decades to perform a rebasing of the basic
23 PPS rate so that an intermediate care facility for individuals
24 with intellectual disabilities provider does not have its basic
25 PPS rate calculated by reference to the same base year for more
26 than eight fiscal years, based on cost reports submitted for one
27 or two fiscal years before the rebased rates go into effect; and
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1 WHEREAS, basing payment for services on the same basic PPS
2 rate for eight years ignores costs incurred by providers
3 resulting from changes in the level of care needed by residents
4 and the number of employees required to provide essential
5 services, higher wage and benefit standards, and changes in
6 regulatory requirements and best practices; and
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8 WHEREAS, as a result of the foregoing factors, the basic
9 PPS rates in effect for eight years are increasingly
10 insufficient to cover the costs of providing services to the
11 residents of intermediate care facilities for individuals with
12 intellectual disabilities and to compensate the caretakers and
13 others who assist residents at a competitive fair wage; and
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15 WHEREAS, rebasing the basic PPS rate on a more frequent
16 basis and ensuring a fair annual inflation adjustment would more
17 fairly and accurately represent the cost of services provided in
18 intermediate care facilities for individuals with intellectual
19 disabilities; and
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21 WHEREAS, the basic PPS rate is paid on a per diem basis for
22 each occupied bed in an intermediate care facility for
23 individuals with intellectual disabilities, but not if the
24 resident is absent at midnight, even if the facility provided
25 services to the resident for a large portion of the day; and
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27 WHEREAS, chapter 17-1739.2, Hawaii Administrative Rules,
28 allows a provider to be paid the per diem rate for up to twelve
29 days of bed hold absence by a resident per year, except in the
30 case of an absence or hospitalization, in which case no per diem
31 bed hold payment is made; and
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33 WHEREAS, the payment for only twelve non-hospitalization
34 bed hold days is among the lowest number of days in the nation
35 for similar facilities, and the ongoing expenses of operating an
36 intermediate care facility for individuals with intellectual
37 disabilities are not materially decreased by a resident's
38 absence for any reason, including hospitalization, resulting in
39 a severe financial challenge to operators of intermediate care
40 facilities for individuals with intellectual disabilities; now,
41 therefore,
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1 BE IT RESOLVED by the Senate of the Twenty-eighth
2 Legislature of the State of Hawaii, Regular Session of 2015,
3 that the Department of Human Services is requested to evaluate
4 and consider an alternate methodology for establishing the basic
5 PPS rates for intermediate care facilities for individuals with
6 intellectual disabilities to address the inadequacy of the
7 existing process and to adopt rules pursuant to chapter 91,
8 Hawaii Revised Statutes, to require rebasing of the basic PPS
9 rates using updated cost report data at least every two fiscal
10 years; and
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12 BE IT FURTHER RESOLVED that the Department of Human
13 Services is urged to adopt rules pursuant to chapter 91, Hawaii
14 Revised Statutes, to establish that intermediate care facilities
15 for individuals with intellectual disabilities may reserve a bed
16 for a resident receiving Medicaid who is absent from the
17 facility on any day for no more than twenty-four days in a
18 calendar year, regardless of whether the absence is due to
19 hospitalization or other reasons; and
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21 BE IT FURTHER RESOLVED that certified copies of this
22 Resolution be transmitted to the Director of Human Services,
23 Director of Health, and Executive Administrator of the Hawaii
24 State Council on Developmental Disabilities.
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OFFERED BY:

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